



February 13, 2026

Mr. Glenn S. Koach
President
KC Beauty Academy
706 East 1st Street
Los Angeles, CA 90012-0000

Sent via COD Document Center and email to:
gkoach@concisecapital.com

RE: **Notice of HCM1 Placement**
OPE ID: 04280400

Dear Mr. Koach:

The School Eligibility and Oversight Services Branch (SEOSB) at the U.S. Department of Education (Department) has transferred KC Beauty Academy (KCBA) from the Advance method of payment to the Heightened Cash Monitoring 1 (HCM1) method of payment effective immediately due to a past performance violation.

Under the Heightened Cash Monitoring 1 (HCM1) payment method as stated in 668.162(d), the institution must first make disbursements to eligible students and parents and pay any credit balances before it requests or receives funds for the amount of those disbursements from the Department. This is a "Records First" requirement. The funding request may not exceed the amount of the actual disbursements made to the students and parents. KCBA is required to credit student accounts before initiating funding requests and before drawing down funds using the Department's electronic system for grants management and payments system, the G5 system. Disbursement records must be submitted to the Common Origination and Disbursement (COD) System at least seven days prior to draw down of federal funds.

The Records First requirement also means that institutions on HCM1 that are participating in the Direct Loan (DL) program will have their Current Funding Level (CFL) reduced to the greater of Net Approved and Posted Disbursements (NAPD) or Net Draws (processed payments less all refunds, returns, offsets, and drawdown adjustments). In the event of returning to the Advance status, the institution will be expected to continue processing DL awards as Records First until the next DL global funding increase is processed.

This foregoing action does not preclude the Department from returning KCBA to another method of payment or taking administrative action(s) against the institution.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Eligibility and Oversight Services Branch
400 Maryland Ave SW
Washington, DC 20202

M.L15.05.01.2025

KC Beauty Academy

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This letter amends the current Provisional Program Participation Agreement (PPA) and must accompany your Provisional PPA documentation. All other provisions of your PPA will remain in place until the prescribed expiration date.

If you have any questions regarding this letter, please Vickie Mouzon at 202-453-6577 or vickie.mouzon@ed.gov.

Regards,



Digitally signed by JEREMY
EARLY
Date: 2026.02.13 13:05:41 -05'00'

Jeremy Early, Ed.D.
Acting Branch Chief
School Eligibility and Oversight Services Branch

JE/vm

cc:

Ms. Jezabel Alicia Velasquez, Director of Financial Aid, *sent via email to:*
jezabel@kcbeautyacademy.com

Mr. Darin Wallace, Esq., Executive Director, National Accrediting Commission of Career Arts
and Sciences (NACCAS), *sent via email to:* dwallace@naccas.org
California Bureau for Private Postsecondary Education, *sent via email to:* bppe@dca.ca.gov